

# DOCUMENT RESUME

ED 162 081

CE 017 951

AUTHOR Corpuz, Ray E., Jr.  
 TITLE Public Service Employment: CETA Program Models.  
 INSTITUTION Employment and Training Administration (DCL),  
 Washington, D.C.  
 PUB DATE 78  
 NOTE 31p.  
 AVAILABLE FROM Superintendent of Documents, U.S. Government Printing  
 Office, Washington, D.C. 20402 (Stock Number  
 029-000-00328-9)

EDRS PRICE MF-\$0.83 HC-\$2.06 Plus Postage.  
 DESCRIPTORS Employment Opportunities; Employment Problems;  
 \*Employment Programs; Federal Programs; Government  
 Role; Individual Needs; Job Development; \*Job  
 Training; Manpower Development; \*Models; \*Program  
 Design; Program Development; \*Public Service  
 Occupations; Skill Development; Training Objectives;  
 Unemployed; Unemployment  
 IDENTIFIERS \*Comprehensive Employment Training Act; United  
 States

## ABSTRACT

This monograph on Comprehensive Employment and Training Act (CETA) program models for practitioners who are implementing or redesigning public service employment programs explores three major approaches to public service employment: countercyclical, employability development, and structural targeting. The content is presented in six sections. The first briefly presents the historical development of public service employment while section 2 presents a typology of public service employment involving three dimensions: objectives, target groups, and employment opportunity. Each of the next three sections discusses these three dimensions in relation to one model for approaching public service employment. The three models covered are the countercyclical model (create jobs in the public sector), the employability development model (provide job training), and the structural targeting model (select a target group and deal specifically with their unemployment problems). The last section briefly discusses some unresolved public service employment issues. (EM)

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# Public Service Employment: CETA Program Models

U.S. Department of Labor  
Ray Marshall, Secretary

Employment and Training Administration  
Ernest G. Green  
Assistant Secretary for Employment  
and Training  
1978



U.S. DEPARTMENT OF HEALTH,  
EDUCATION & WELFARE  
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U.S. GOVERNMENT PRINTING OFFICE: 1978 O-289-740

For sale by the Superintendent of Documents, U.S. Government Printing Office,  
Washington, D.C. 20402

Stock No. 029-000-00828-9

CE 017 951

## SPECIAL NOTE

This monograph is one of a series entitled *CETA Program Models* prepared for the Employment and Training Administration's Office of Community Employment Programs, with financial support by the Office of Research and Development. The series, on program activities and services, was prepared under contract number 81-11-71-09 with the National Council on Employment Policy and edited by Garth Mangum of the University of Utah.

The monographs being issued or prepared for publication are *On-the-Job Training* by James Bromley and Larry Wardle; *Job Development and Placement* by Miriam Johnson and Marged Sugarman; *Classroom Training--The OIC Approach* by Calvin Pressley and James McGraw; *Supportive Services* by Susan Turner and Carolyn Conradus; *Intake and Assessment* by Lee Bruno; *Work Experience Perspectives* by Marion Pines and James Morlock; and *Public Service Employment* by Ray Corpuz. Others may be added as circumstances warrant.

The authors, experienced employment and training program operators themselves, review the purposes and means of carrying out CETA functions and comment on methods they have found useful in conducting programs and avoiding pitfalls. The series is commended not only to program operators and their staffs, but also to community groups and other employment and training services professionals in the hope that this information will enable more people to learn about CETA programs, stimulate new ideas, and contribute to improving the quality of employment and training programs.

The series should not be regarded as official policy or requirements of the U.S. Department of Labor. Although every effort has been made to assure that the information is consistent with present regulations, prime sponsors are urged to consult current regulations before adopting changes the authors may advocate. The authors are solely responsible for the content.

Another series of use to CETA prime sponsors and their staffs is *CETA Title VI Project Description Reports*. There are two volumes in this series. The first monograph was prepared by MDC, Inc., Chapel Hill, N.C., under contract number 82-37-71-47. The second volume was prepared by ETA with assistance from prime sponsors, regional offices, and a private contractor.

Copies of other titles in these series may be obtained from:

Office of Community Employment Programs  
Employment and Training Administration  
U.S. Department of Labor  
601 D Street, NW.  
Washington, D.C. 20213

Reader comments and suggestions are welcomed and may be sent to the above address.

## PREFACE

It is the intent of this monograph to explore, from a practitioner's viewpoint, three major approaches to public service employment—countercyclical, employability development, and structural targeting. While based primarily upon the author's personal experience as director of a Comprehensive Employment and Training Act (CETA) prime sponsor staff, the monograph reflects some synthesis of the experiences of other prime sponsors under CETA titles II and VI, as well as past experiences under the categorical programs authorized by earlier legislation.

Considerable policy development is still necessary to clarify the role of public service employment as part of the nation's employment and training and economic policies. This report does not attempt to deal with this issue. Instead, it attempts to provide an understanding of public service employment and its potential implementation to the new practitioner in the field who needs some background and models for review before implementing or redesigning a public service employment program. The discussion seeks to avoid the extremes of either the theoretical world or the "play-by-play account." The intent of the monograph is therefore to serve as a catalyst for thought in public service employment program design and not as a technical assistance guide on how things should be done. Obviously, prime sponsor needs differ, and therefore program design may differ from jurisdiction to jurisdiction. But the experiences of those who have been "down the road" may be useful to those just starting the trek. That is the modest ambition of this document.

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## 1. HISTORICAL DEVELOPMENT

Public service employment can be defined as expenditure of public funds to employ, on the payroll of public agencies, those who would otherwise remain unemployed. An increased supply of jobs is created by Federal subsidies to State and local governments. It differs from normal public employment in that the objective of a regular job is the good or service produced, with employment a byproduct, whereas in public service employment, the job is the objective and the output a byproduct. Public service employment can be differentiated from public works in that the latter term refers to the construction of facilities, most often but not always through contract with private firms.

Public service employment is less easily differentiated from "work experience." In some cases, the difference lies in the entry requirements or in the productivity expectations, both of which are generally higher for public service employment. Until the 1976 amendments to the Comprehensive Employment and Training Act (CETA), another possible difference was that public service employment involved jobs similar in nature to those held by regular employees of public agencies, whereas work experience generally implied activities that, though useful, probably would not be performed by public employees without the program. Introduction of a work crew emphasis under CETA's title VI at that later date largely eliminated this distinction.

### A Typology of Public Job Creation

The term "public service employment" first came into widespread use with the Emergency Employment Act of 1971, which created the Public Employment Program (PEP). However, so many programs have had similar intents over the years that it is worth listing those varied objectives:

1. Jobs provided to workers who were temporarily out of work during a transitional state of life. Examples are the Neighborhood Youth Corps (NYC) out-of-school and summer programs, with their focus on short-term employment, relatively unskilled jobs, and targeting on

youth. A more recent example is the Summer Program for Economically Disadvantaged Youth (SPEDY), authorized under title III, section 304(a), of the Comprehensive Employment and Training Act.

2. Longer term jobs provided to structurally unemployed persons who, even in the best of economic conditions, could not find jobs. The Operation Mainstream program, which focused on the older workers, is an example.
3. Career opportunities and ladders for the disadvantaged with emphasis on new occupational fields, especially those in human service, and often involving intensive training and counseling, civil service reform, and job restructuring. Both the New Careers and Public Service Careers programs attempted to provide such an approach.
4. Work relief when no other employment alternatives existed and public assistance was not available to the worker. The Kentucky "Happy Pappy" project under the Work Experience and Training program, created through title V of the Economic Opportunity Act (EOA) and the forerunner of the Work Incentive program, and similar but smaller projects for Aid to Families with Dependent Children (AFDC) recipients are examples.
5. Public service employment as a specialty, an economic tool for depressed areas and declining communities that experience high unemployment, such as central areas of large cities. Often the secondary benefit of such an approach was the provision of necessary public services, which ordinarily could not be provided.
6. Creation of public jobs as a countercyclical tool during an economic recession to combat high unemployment. The Public Employment Program created by the Emergency Employment Act and the Emergency Jobs Program, title VI of the Comprehensive Employment and Training Act, were both enacted as countercyclical mechanisms.
7. Finally, the public service employment approach, viewed in its broad sense as a revenue-transfer mechanism that provides grants-in-aid to local and State governments to fill critical service needs and maintain basic service levels. It serves this function whether the funds are used to support otherwise unemployed people in providing



additional services or to release other funds to provide new services.

The planning, implementation, and evaluation of public service employment programs have been complicated and confused programmatically by differences in objectives and in the expectations of policymakers as to what public service employment could accomplish. This multiplicity of objectives and its impact on program administration and results are evident from the history of that service function.

## The Pre-1960's History

Without knowledge of compensatory fiscal and monetary policies, public job creation was the only available weapon against the near economic collapse that put at least a quarter of the labor force out of work and kept unemployment above 10 percent for a dozen years after 1929. The Public Works Administration (PWA) let contracts to private employers for the construction of public facilities. The Federal Employee Relief Act (FERA) program, the Civil Works Administration (CWA), and the Works Progress (later Work Projects) Administration (WPA) all hired unemployed workers directly on public payrolls, concentrating on construction but with significant writing, art, and other projects. The National Youth Administration (NYA) offered both in-school and out-of-school work in the community for youth, while the Civilian Conservation Corps (CCC) took them into conservation work. Table 1 provides an indication

of the magnitude and nature of those projects, which absorbed as much as 6.6 percent of the labor force and provided 2.8 percent of the gross national product.

Wars, hot and cold, maintained employment levels until the mid-1950's, when the need for public job creation again became a subject of policy debate, with reinauguration of the NYA and CCC projects proposed in the late 1950's. However, when public job creation returned in the early 1960's, it was as a weapon against class rather than mass unemployment.

## Public Job Creation in the Great Society

Provision of job opportunities was a major political issue of the 1960's, but direct public job creation was not a preferred route, in part because the programs of the New Deal era were remembered as make-work. Depressed areas legislation, retraining programs under the Manpower Development and Training Act (MDTA) of 1962, the 1964 tax cut, and earlier business investment credits were representative of the preferred approaches. Several programs were initiated which offered direct public employment under the guise of "work experience and training programs." But these efforts were small and targeted only at special groups or areas.

As the Social Security Act was amended in 1962 to allow public assistance benefits to families with an employable but

TABLE 1. EXPENDITURES AND AVERAGE NUMBER OF EMPLOYEES ON WORK RELIEF AND PUBLIC WORKS PROJECTS, FISCAL YEARS 1933-40<sup>1</sup>

[Expenditures in millions, employees in thousands]

Year	Work relief programs <sup>2</sup>		Public Works Administration	
	Expenditures	Average employees	Expenditures	Average employees <sup>3</sup>
Total .....	\$11,902	-	\$1,734	-
1933 .....	9	118	-	-
1934 .....	1,228	3,114	279	463
1935 .....	447	336	138	263
1936 .....	1,750	2,739	248	263
1937 .....	2,283	3,028	278	151
1938 .....	1,799	2,575	177	112
1939 .....	2,529	3,695	328	236
1940 .....	1,857	2,651	286	61

<sup>1</sup>Averages of monthly data.

<sup>2</sup>Includes the Civil Works Administration, November 1933 through April 1934, the Civilian Conservation Corps, 1933-42, Works Progress Administration, 1936-41, and the National Youth Administration, 1936-42.

<sup>3</sup>Employees at Federal and non-Federal PWA construction sites shown on a calendar year basis.

SOURCE: *Work and Relief Policies* (Washington: National Resources Planning Board, 1942), pp. 357-59.



unemployed head, a Community Work Training program was added to make it possible for some of them to earn their benefits. The Economic Opportunity Act of 1964 sought to eliminate poverty through a combination of remedial employment and training programs emphasizing the poor and disadvantaged, particularly youth.

Among the more notable approaches unsuccessfully proposed under the EOA design was one by the Department of Labor for a major adult work relief program. In effect, the proposal was to reinstate the WPA and pay for it with a cigarette tax. However, the onus was still present and the cost higher than a presidentially set ceiling. The Department of Labor had to settle for title V of the EOA, which was written flexibly enough to allow either work experience or training so long as it was addressed to actual or potential welfare recipients. It emphasized the importance of training and the values of good work habits and experience, rather than income and employment. Yet some public job creation efforts were funded, the most notable of which was the Kentucky "Happy Pappy" project that offered incomes and useful activity to thousands of unemployed older men who had suffered from the decline of the coal industry in eastern Kentucky.

Of larger scale was the Neighborhood Youth Corps. It provided income and work experience through in-school and out-of-school projects. The objective was a combination of income, temporary employment providing work experience, and school retention incentives for disadvantaged youth. It was hoped that their employability would be enhanced, but that objective was secondary.

Operation Mainstream was created by amendment to the EOA in 1965. It provided employment for older workers with histories of chronic unemployment. It was the first employment and training program in the 1960's designed to use Federal funding to enable State and local governments to employ significant numbers of disadvantaged adult workers. Reminiscent of the WPA, projects under Operation Mainstream involved street improvement, park maintenance, beautification, and other community projects.

As unrest in the central cities brought increasing demands for job creation in those locations, several other programs, including Special Impact and New Careers, were added to EOA. Special Impact was to provide special funding for a comprehensive attack on employment problems of selected poverty areas. New Careers provided entry-level jobs in human service agencies to the disadvantaged, with career ladders leading to paraprofessional status. A major innovation in 1968 was the program of the National Alliance of Businessmen's Job Opportunities in the Business Sector (NAB-JOBS), which added government subsidization of private jobs for the disadvantaged.

The Public Service Careers (PSC) program, established in 1969, was both a training and a placement program that concentrated on jobs in the public sector at the Federal, State, and local government levels. Entry-level jobs and upgrading of low-skill workers were provided at the State and local level, and career opportunities at the Federal level. The New Careers program was eventually incorporated into PSC.

## The Advent of Public Service Employment

Yet all of these efforts were small scale. Recommendations of various commissions that the Federal Government act as employer of last resort and guarantee public service employment opportunities in some form were far from reality. Congressional advocacy of public job creation for the disadvantaged was never sufficient to offset opposition in both the legislative and executive branches of the Federal Government. It was only when general unemployment rose sufficiently to affect more politically potent groups that the concept became politically acceptable. Thus in the 1970's, public service employment has been used in large part as a countercyclical measure, rather than as a structural or employability tool for the unemployed. In response to rising unemployment and a slack economy, the Emergency Employment Act (EEA) was passed in July 1971, and the role of government as an employer of the jobless was expanded. The focus of the EEA was to provide public service employment for the unemployed and underemployed in times of high unemployment and to assist State and local government in providing communities with needed public services.

Funds were provided on the basis of one criterion—a national unemployment rate of 4.5 percent or higher for 3 consecutive months. Funds were to be discontinued if the unemployment rate dropped below this level, when it was hoped that enrollees would either be absorbed into permanent, unsubsidized public sector jobs or be employed in the private sector.

The Public Employment Program created by EEA was the most significant development since MDTA of 1962 and EOA of 1964. Although using public sector jobs to alleviate unemployment and to provide public services was the emphasis of the New Deal policies, their experience has little applicability to the economic, technological, and social conditions of the early 1970's. During the depression, unemployment was massive and construction was a relatively labor intensive and unorganized field. In contrast, the public employment programs of the 1960's generally focused on limited groups and on the hard-to-employ and pursued work experience as a higher priority than providing needed public services.

PEP presented a new and major departure in employment and training policy. It proved to be important not only for its short-run impact on the unemployed, but also for its longer term impact on State and local governments and as a case study for future public manpower policy. Giving State and local governments responsibility for creating public service jobs and for administering subcontracts with other institutions was preparation for titles II and VI of CETA. The experience also made public service employment an apparently permanent aspect of the employment and training scene.

CETA's announced intent was to decentralize and decategorize program decisions. However, Congress felt strongly enough about public service employment to include

a separate title for it, even though it was limited to depressed local economies, with an "escape hatch" for spending those monies in other ways. The purpose of this title II was declared to be "to provide unemployed and underemployed persons with transitional employment in jobs providing needed public services in areas of substantial unemployment and, wherever feasible, related training and manpower services to enable such persons to move into employment or training not supported under this title." Its funds became available to any jurisdiction that had 6.5 percent or more unemployed for 3 months. However, these funds could also be used for any of the comprehensive purposes of title I if the State or local prime sponsor preferred other activities rather than public service employment.

Although the Emergency Employment Act served as the funding model for the CETA title II public employment program, EEA's objectives were countercyclical, responding to the 1970-71 recession and the winding down in Vietnam. The intents of CETA title II are better described as employability development and structural targeting. Title II was originally intended as a transitional stage for the unemployed and disadvantaged, while new skills were developed, local conditions improved, and access was found to permanent jobs.

A new title VI was added in 1974 through the Emergency Jobs and Unemployment Assistance Act as a result of a rapidly rising unemployment rate and a deepening of the recession. Both it and the Emergency Employment Act of 1971 were enacted during a period when the administration in power was reluctant to use general fiscal and monetary policy to speed economic growth rates and job creation. The main ways in which title VI differed from title II were that: (1) The eligibility criterion on length of unemployment could be reduced from 30 to 15 days by waiver request from applicants serving areas with unemployment rates in excess of 7 percent; (2) the transitional goals could also be waived upon request, and (3) programs were to enroll the unemployed rather than the economically disadvantaged

served by title II programs. A supplemental appropriation under title II was approved in fiscal 1976 in order to avoid mass layoffs of title VI participants as funding ran out, and large numbers of participants were transferred from one program to the other. As a result, the distinction between the title II and title VI approaches became meaningless.

An amended title VI was subsequently approved under the Emergency Jobs Programs Extension Act prior to the national election in the fall of 1976. It provided additional funding to prevent the dangerous "cliff effects" of mass layoffs. It also introduced a project focus more reminiscent of the 1930's than were the additions to regular State and local government employment that had been the focus of PEP and of titles II and VI until then. Priority was assigned to the long-term unemployed, for whom sponsors were to design new projects providing employment less likely than earlier CETA jobs to lead to transition to regular civil service jobs.

With an unemployment rate of around 7 percent persisting in 1977, Congress provided additional funds to enlarge the number of public service jobs to 725,000. The new Youth Employment and Demonstration Projects Act was oriented more to work experience than to public service employment, but it authorized opportunities for an estimated 200,000 young people. The local public works program was expected to generate 300,000 publicly created though largely privately provided jobs. Then in his welfare reform proposal of August 1977, President Carter recommended 1.4 million public service jobs for welfare recipients and other low-income workers. Clearly, private job creation was the preferred tool of the Carter administration for combating unemployment and poverty. Yet throughout the history of public service employment, one could find advocacy for its use as: (1) A tool for improving employability; (2) a weapon against structural unemployment of particular people in specific places, and (3) a general recourse for workers unemployed during declines in the business cycle. In all cases, it was a transfer payment providing income as well as a source of both useful activity and public service.

## 2. PUBLIC SERVICE EMPLOYMENT—THE TYPOLOGY

A major difficulty in discussing the role and function of public service employment is lack of agreement by both policymakers and practitioners on its specific objectives. Some of the objectives may even appear to be contradictory. This not only causes great difficulty in designing a public service employment effort but also makes evaluation of one's program unnecessarily imprecise. It is possible to set goals and objectives, select the client groups to be served, and adopt a particular design emphasis through careful choosing of program agents or employing agencies. Public service employment can then be discussed, with at least three major dimensions worthy of consideration.

The first dimension that may govern the nature of a locality's public service employment program is made up of the goals and objectives to be achieved. Clearly, these programs can have many objectives, which may include the simple provision or expansion of public services, a stimulus to the economy, a tool to develop the employability of an individual (leading to transition to unsubsidized employment), a simple income transfer and support, or a mechanism to retain a specific labor pool intact until "better times" develop. Certain objectives may at times appear to be contradictory or working at cross purposes with others. Thus, by first delimiting the objectives, policymakers determine the design and structure.

This paper advocates a three-tiered public service employment system, with each tier addressing its own set of objectives. Such a system may operate as a whole or in part, as determined by local policymakers and economic conditions. To address the set of objectives that may be designated as the employability development objectives, a specific model may be adapted. If the objectives center more on an economic policy designed to stimulate a stagnant economy, a countercyclical model may be developed. Income maintenance or the amelioration of chronic high unemployment in a specific location or among specific sociological groups is an objective that may best suit a model that can be termed "structural targeting."

The second dimension is made up of the intended target group to be served. The objectives related to the employability development model are most appropriate for persons chronically unemployed because of lack of skills,

training, or work experience. Employability development is then addressing that portion of the labor force structurally unemployed. The countercyclical model's target group will be different. In this case, the second dimension will include persons unemployed due to a downturn in economic conditions. The structural targeting model will address either the long-term unemployed in those specific geographic areas that remain in economic trouble even in good times or those socioeconomic and demographic groups that seem to experience high unemployment rates wherever they are and whatever the economic conditions.

The third major dimension of the models is the type of employment opportunity developed for the target groups that may enable the program to achieve the desired objectives or outcomes. The employability development model will require the types of jobs that can develop skills and a transition to unsubsidized employment. A countercyclical effort will emphasize labor-intensive projects and the clients' return to previously held jobs in the private sector as the economy improves. A public service employment model that concentrates on specific locations or groups will devote considerably more time to developing jobs that meet the needs of the clients, while at the same time providing needed public services to the locality.

These three major dimensions are summarized in table 2. There may be other dimensions or identifiable elements that contribute significantly to the formulation of any one specific model. Another area of concern discussed as part of the model is the role of training and supportive services. The need for such an element will vary widely between programs leaning toward employability development and those that address economic development problems or are countercyclical in nature. A permanent public service employment effort for a specific target group may require innovative use of training and supportive services, depending upon the group targeted. In some instances, funds are better diverted to materials for projects than for stipends to the clients themselves. Of importance, but not considered here as a major dimension, the allocation of resources to training and supportive services will be determined after the basic model has already been selected.

TABLE 2. MODELS AND DIMENSIONS FOR PUBLIC SERVICE EMPLOYMENT

Model and objectives	Target groups	Employment opportunities
<i>Countercyclical</i>		
Temporary job creation during economic downturn (to be complemented by other economic and fiscal policy)	Long-term "disemployed" by economic conditions, emphasis on heads of households via income restrictions	Variety of sponsoring agents, possible job creation corporations, special project jobs, job creation on related public works or economic development activities, flexible wage structure for the higher skilled unemployed, but the average rate to be kept relatively low
<i>Employability Development</i>		
Basic employment and training activity, development of skills and experience leading to permanent job placement	Chronically unemployed, economically disadvantaged	Jobs structured to the needs of the individual, entry level relative to low maximum wage level, significant involvement of private, nonprofit employers; regular ongoing positions, integration-coordination with civil service systems
<i>Structural Targeting</i>		
1 Job creation for chronically unemployed in specific areas even in good economic times	1 Chronically unemployed in specific area, a "pocket"	1 Jobs to resemble countercyclical types (i.e., projects, quasi-public works) integrated with economic development projects
2 Permanent public service employment, income maintenance, and support for chronically unemployed sociological group	2 Hard-to-employ groups, older workers, handicapped, and so forth	2 Job structuring to meet individual needs, less emphasis on transitional jobs, part-time tandem employment, and so on.



### 3. COUNTERCYCLICAL MODEL

The countercyclical concept of public service employment was first evidenced in the Great Depression era of the 1930's. The Works Progress Administration, Civilian Conservation Corps, and Public Works Administration focused on the creation of public jobs to meet the challenge of joblessness during a severe contraction in the economy. The countercyclical model, like other public service employment models, is designed to create jobs in the public sector; however, unlike the other such models, the major emphasis is on expanding the labor demand to combat joblessness and providing work-conditioned income, maintenance during an economic downturn. Both the EEA's Public Employment Program and later title VI of CETA correspond closely to the countercyclical approach. Each was implemented in a period of rising unemployment and in the absence of the full use of the job-creating tools of both fiscal and monetary policies.

#### The First Dimension: Purpose

The countercyclical approach seeks to absorb substantial proportions of the unemployed nationwide, does not contemplate transition into more normal jobs (at least until recovery begins), and is thwarted if the availability of public service employment funding is misused by units of government to reduce spending that would have otherwise occurred. Thus, the practitioner responsible for using public service employment for countercyclical purposes should be alert to the need to assure that: (1) Those employed are those who would have been likely to have remained unemployed; (2) State and local budgeteers maintain the fiscal effort that would have occurred in the absence of the program; and (3) the program phases out as recovery progresses. Public works alternatives and other antirecessionary aids available at the community level should be closely linked with public service employment in both the planning and implementing stages.

#### The Second Dimension: Target Group

Since the emphasis of the countercyclical approach is on providing interim temporary employment for workers until jobs can be attained in the private or public sectors, eligibility requirements need not be so restrictive as they are in other public service employment models. In keeping with the intent of reducing unemployment, the major consideration is that the participant in the countercyclical model be unemployed, defined in terms of a minimum period of time. Under both PEP and the emergency jobs program (CETA title VI), the unemployment requirements were not stringent. Only 7 days of unemployment were required for eligibility for PEP and 15 days for CETA title VI. However, the amended CETA title VI places the emphasis on the long-term unemployed by requiring 15 weeks or more of unemployment—and participants must also meet an income criterion.

Priorities for serving certain target groups have been attached to the legislation; e.g., PEP gave priority to Vietnam era veterans and only general mention of other priority groups with no specific requirements. Under CETA, "special consideration" was to be given to the most severely disadvantaged in terms of the length of time they have been unemployed. Operationally, the interpretation of this regulation has varied among CETA prime sponsors. Although the extent to which CETA public service employment (as compared with EEA) has served the disadvantaged is still arguable, many prime sponsors have attached supplemental priority groups to be served. Thus it has been possible for both the long-term unemployed and the disadvantaged (as well as other groups most in need) to be served in the public service employment countercyclical model.

Yet the establishment of local policy to serve those most in need can be a factor in slowing down the hiring process. The

choice between filling public service slots as rapidly as possible as a countercyclical weapon and serving the needs of the disadvantaged, to whom most employment and training practitioners had been dedicated throughout their careers, was difficult during the initial years of title VI. Old anti-poverty warriors welcomed the potential income redistribution effects and sought to restrict public service jobs to heads of households and concentrate them on those who have been jobless for the longest periods of time. Initially, there was criticism of the resulting enrollment delays; but Congress seems now to have endorsed that emphasis through the Emergency Jobs Programs Extension Act and is beginning to address the long-term unemployed as a priority group by legal requirement.

Of course, the overriding concern of public service employment is the unemployed. When providing public jobs, one must take into consideration the characteristics of the unemployed, in terms of both how many and what kind. Supportive services and training are usually kept at a minimum in a countercyclical program, but they are necessary to the successful employment of many target groups. The characteristics of the unemployed population will provide an indication of what supportive services might be necessary, especially child care, transportation, and medical services. Additional insights into such needs might be provided by nontraditional sources, including advocacy groups, citizen committees, or community organizations. An important part of this process should be joint planning involvement of all relevant agencies to determine who is to be served and what services and jobs will be provided by which agencies.

## The Third Dimension: Employment Opportunities

The jobs provided under a public service employment countercyclical model, because of the nature of the program, should be flexible and lend themselves to skill preservation rather than skill enhancement, and they do not have to be identical or parallel to regular or traditional public jobs provided by local and State government. Until the Emergency Jobs Programs Extension, the preferred strategy was expanding the number of openings in the types of jobs already existing in public agencies. Now, with the project approach, reliance on jobs not normally in existence may well become the rule rather than the exception. There may also be an argument for keeping wages at a level sufficiently below market rates for similar jobs to increase the desired movement out of these public service jobs and into the regular job markets as economic conditions improve. This aspect also lends itself to the "transitioning effort" from the public sector to the private sector. However, if the rate is below the minimum wage or even the prevailing wage thought appropriate by incumbent workers and their unions, the program operator can expect criticism and political

pressures that may make that policy impractical and undesirable

## The Project Approach

Characteristics of countercyclical jobs, with wage rates below market rates and with flexible structures, encourage a "project or work crew approach" that is highly desirable, given the appropriate administrative support for materials, equipment, and related expenses. The primary advantages of local public employment projects are:

1. They can provide a definite starting and ending date. In turn, this reduces the expectations of the participant for continued lengthy employment. (Some individuals who started with PEP enrolled under CETA title II programs, with no disruption in participation.)
2. The duration of the employing agency's obligation is clearly defined.
3. Such projects encourage movement out of public service employment as economic conditions improve.
4. The projects usually provide a worthwhile and visible community service that ordinarily could not be performed.
5. This approach reduces the opportunity for substitution and maintenance-of-effort violation.

However, there are also disadvantages. At the operational level, it is difficult, at best, to keep a project approach intact because of a variety of possible barriers that at the outset could not be predicted. The tendency is for employing agencies to use "project employees" to meet the agency's other needs at times of crises or when there is a sudden shift of priorities. Although the employing agent can rationalize this use, the project approach becomes diluted over time. In some of the more visible projects undertaken by both local and private nonprofit community agencies, services developed through the use of work groups have, on the other hand, created real demands for continued funding of those services.

A reasonable amount of planning, both strategic and operational, increases the potential for success. However, adequate lead time for planning is not always available to those responding to rapid implementation requirements of the countercyclical model. The experience of current prime sponsors with this approach will be valuable in mounting further countercyclical job programs.

## Salary Restrictions

The jobs provided under EEA and CETA title VI were both parallel and identical to regular public jobs. Under EEA, salaries of up to \$12,000 annually could be paid from project funds, and the program tended to enroll workers with higher skill levels than those hired under CETA title VI, which has a salary limitation of \$10,000 annually. Due to inflation and union negotiations, the salary limitation under CETA is becoming increasingly restrictive, thus the focus will be more and more on low-skill jobs.

There are options open to State and local governments to offset these salary restrictions by direct wage contributions through other funding sources, including general revenue sharing and title II of the Public Works Employment Act of 1976, which provides antirecessionary grants to local government. A significant number of prime sponsors supplement CETA salaries through a variety of sources. The effect is worthy of discussion. The higher the average wage levels, of course, the fewer the jobs created from any appropriation level. Further, higher wages are of doubtful utility to the countercyclical model because the higher wages discourage transition into unsubsidized jobs. Perhaps a better alternative would be to develop jobs with special classifications, based upon occupational families or clusters, rather than creating public service jobs parallel or identical to regular public employment. Rules, regulations, and policies of personnel systems, civil service requirements, and employee unions present obstacles to developing such an approach, but those prime sponsors and program agents who have tried have met with some success.

## Maintenance of Effort

Maintenance-of-effort requirements attempt to restrict the effect of substitution of public service jobs for other government jobs. However, standards for judging maintenance of effort are difficult to establish and enforce. Under both EEA and CETA, maintenance-of-effort provisions were to accomplish two objectives: (1) To assure a net increase of jobs and (2) to assure that jobs were not lost by regular employees. Since many jobs created under PEP were identical to regular public jobs, it was rarely clear whether maintenance of effort had been preserved.

Maintenance-of-effort requirements under CETA are much more extensive than they were under EEA. Regulations prohibit the substitution of these jobs for existing Federally assisted jobs, the impairment of existing contracts for service, the substitution of Federal public service funds for other funds, or the reduction of hours worked by regular employees so that an individual from the public service employment program can be placed.

Maintenance of effort is essential to a countercyclical approach to public service employment. Without such provisions, the net increase in jobs—and, correspondingly, the effect on the unemployment rate and on income maintenance—becomes doubtful.

Under the special projects approach, monitoring and enforcement of maintenance-of-effort provisions are easier to accommodate. Yet if these projects are worthwhile, there is always the question of whether the local government might have undertaken them without other assistance. The dilemma of whether maintenance is violated under the projects approach remains. Yet, the relative weight of enrollment in the special projects performed under a public service employment countercyclical model and in the "regular" public activities that dominated EEA and CETA in the past is an important measure of whether substitution is

likely. The greater the special projects enrollment, the less likely it is that maintenance of effort has been violated.

## Transition

In a countercyclical public service employment approach, transition has to be defined differently than it is in an employability development or a structural targeting model. Transition could be only a desired goal, rather than a requirement, because of the uncertainties of job availability. Establishing transition as a requirement in countercyclical public service employment only thwarts the goal of income maintenance and becomes a disincentive for movement into unsubsidized jobs. Wage levels of public service jobholders as well as a "project approach" in a countercyclical model can be important incentives in increasing the rate of transition as the economy improves.

Under EEA, a 50 percent transition goal was established for all hires, specifically into State and local government. The same "goal" for transition exists for CETA. However, with the addition of title VI, the transition goal was disregarded, since waiver could be obtained by request. The EEA transition goal was never attained in whole. Since jobs and wages were essentially the same as the normal public jobs, and since entry-level jobs in the public sector were at least as attractive as those in the private sector, movement into unsubsidized jobs was slow at best. As a consequence, the burden of transition fell on the public sector, where job openings were usually few because of budget restrictions. A transition requirement is not essential to countercyclical public service employment, but a transition goal is. Defined only as "a goal," transition takes on a different meaning and aids in the rapid implementation of a countercyclical policy.

Perhaps equally important is the political attractiveness of transition as a goal for State and local governments. Trapped between decreasing revenues and increasing demands for services, prime sponsors view an increase in public service jobholders as still desirable. Yet if government were required to help them in this transition by placing them on regular payrolls, much of the appeal of public service employment would be lost. Operationally, transition requirements make more sense in an employability development model than in the countercyclical model. However, additional incentives, perhaps in the form of some financial support, are necessary to achieve a meaningful outcome for a countercyclical policy.

## Federal vs. State and Local Agencies As Public Service Employers

Although in recent years the prime deliverers of public service employment have been State and local governments, there is a role for the Federal government under a countercyclical public service employment policy. The Federal role as such an employer should be narrowly defined. The best access to useful jobs will probably be found where the



control of this type of employment rests with local and State prime sponsors. However, Federal agencies can supply work stations for people referred by prime sponsors, as well as take primary responsibility for interstate activities. The Federal role could be most appropriate in a public service employment effort that is linked to a full employment policy that directs the Federal government to become the employer of last resort.

Existing local systems for the operation of public service employment programs have been in place for some time. Relying on the experiences of both EEA and, currently, CETA, State and local governments have been able to refine their structure in order to effectively implement a variety of public service employment objectives. Using the existing structure of State and local delivery systems supports the intent of providing countercyclical funding to those areas with the highest unemployment rates. It also facilitates coordination with other program policies, such as structural targeting and employability development. Another important consideration in countercyclical policy concentration at the local level would be the coordination with such other public sector job creation tools as public works projects.

### **Rapidity of Implementation**

Rapid implementation is essential to a successful countercyclical approach. The structure and types of jobs, recruitment, coordination, the selection of projects, and other programmatic considerations slow implementation. Nevertheless, the speed of implementation has been a positive factor in comparison with other countercyclical job creation measures.

The intent of the countercyclical approach is to provide the most rapid possible recruitment of unemployed people into the public sector. In order to meet this urgent consideration, local and State governments and other employing agencies must be able to shift their personnel systems into "high gear." An emergency jobs program requires the identification of the most expeditious means by which large numbers of "new employees" can be brought on board. Consequently, consideration must be given to basic factors such as:

1. Priority areas of public service for job creation.
2. Identification of appropriate kinds of jobs.
3. A realistic number of positions.

4. Characteristics of the unemployed.
5. Job qualifications.
6. Selection of personnel procedures that accomplish the intent of rapid implementation.
7. Expediting administrative processes.

### **Determining Employment Needs**

In large part, determination of the number and kinds of positions needed will be directly affected by the amount of Federal funds available. General estimates of the number of jobs available for a given allocation can easily be made. However, the crucial issue is the kinds and number of positions needed. Depending upon local circumstances, a number of methods have been used to identify needs.

Some practitioners have used as a measuring device the local government's annual budget or program budgets, which in some instances can provide relevant information on vital public services needed and proposed but not funded. Caution must be exercised in using this method so that violation of maintenance-of-effort requirements can be avoided. Documents such as current personnel studies and planning and economic studies can also be useful. Meetings with potential employing agencies, public officials, and labor representatives are useful formats for determining the extent and kind of public jobs and projects that are needed and could be created quickly. Simple questionnaires and surveys can gather meaningful information.

Designing a process for identifying potential job slots and distributing them equitably among available host agencies is essential. So is citizen participation on advisory councils. Under the amended title VI of CETA, the advisory councils become the focal point for project approval. Under the initial allocations of title VI, many prime sponsors had already developed a "project or work crew approach" to job allocation, and the 1976 amendments mandated this approach. By working closely with host agencies that have personnel needs but limited budgets, some prime sponsors have been able to secure contributions of necessary equipment, materials, and supplies that cannot be purchased with CETA funds.

All of these suggestions are designed to reinforce one basic point: determining that the primary objective of a public service employment program is countercyclical colors all decisions under that program and sets it apart from other public employment projects with other goals.

## 4. EMPLOYABILITY DEVELOPMENT MODEL

The continuing debate among public policymakers and the academic community over the effectiveness of large-scale public service employment programs as tools to relieve high unemployment often obscures a rather solid consensus that public service employment can be of vital importance in the development of skills and experience for the disadvantaged and long-term unemployed. Creating public jobs for those who, even in the best of economic times, experience difficulty in getting and holding a job has been an objective of two of the three major public service employment programs of the early 1970's. Both the Public Employment Program created by the Emergency Employment Act of 1971 and the public service employment program funded by title II of the Comprehensive Employment and Training Act of 1973 included language relating to special consideration in hiring for the disadvantaged. Even the other major public employment program, the Emergency Jobs Program (CETA title VI), has subsequently been drastically altered to target on the long-term and low-income unemployed.

### The First Dimension: Purpose

The priorities in both PEP and CETA title II for hiring the disadvantaged, the low skilled, and the marginal workers were often thwarted by administrative requirements of both programs. Since eligibility for program participation has ranged from as little as seven up to 30 days of unemployment, the requirements for hiring the disadvantaged or those most in need have been unevenly applied. Less than 10 percent of the hires for Public Employment Programs in some cities were disadvantaged, while some large cities hired the disadvantaged at a rate exceeding 70 percent.<sup>1</sup> The point is that the Public Employment Program and its successor, the CETA title II program, probably could

have been used as models to upgrade the skills and experience of the low income and low skilled, but they were not. Program sponsors could too easily bypass the most deprived in favor of the best qualified, or at least the most experienced, of the currently unemployed in order to meet other objectives of the program.

A public service employment program designed to provide job skills and experience to the chronically unemployed—those who have never been able to successfully compete—could be constructed about the framework of the CETA title II program. Indeed, the model described below has much in common with the original title II approach. There are, nevertheless, important differences.

For this model of a public service employment program for the disadvantaged and seldom employed members of the community, the author has chosen the term "employability development." There is no magic in the term. It could be termed a "manpower development" model, as the National Commission for Manpower Policy terms a like program design.<sup>2</sup> The term "employability development" was chosen because it accurately describes the overriding purpose of the program: the development through a subsidized public job of sufficient job skills and experience to enable the client to be employed permanently at the public job site or to successfully compete for employment in the open market.

### The Second Dimension: Target Group

#### What CETA Titles for Employability Development?

As developed here, the employability development model is designed as a training program and would not provide an

<sup>1</sup>Public Employment Programs and the Cities, vol. II: Special Report (Washington, Office of Urban Services, National League of Cities, U.S. Conference of Mayors under contract with the U.S. Department of Labor, June 19, 1973), p. 270.

<sup>2</sup>Proceedings of a Conference on Public Service Employment, a special report (Washington, National Commission for Manpower Policy, May 1975), p. 59.

expedient means by which large numbers of people could be employed immediately. Funding for such an effort would be proper under CETA title I, which authorizes almost any employability or employment-related expenditure on behalf of the economically disadvantaged. The funding allocation should not be tied to a local trigger of 4.5 or 6.5 percent unemployed, as was funding for EEA and CETA title II respectively. A public service employment effort dedicated primarily to developing employability should not be tied to the cyclical nature of a local area's economy. For the types of clients this public service employment effort would address, a need would be present even with high general levels of employment.

Funding would also have to be stable, with an allocation plan that would allow for thoughtful planning well in advance. The mechanism for allocating funds for the employability development model should likewise be separate and distinct from programs and policies that can be conveniently used to channel additional title II funds nationwide or into a specific area. The program could not tolerate a large infusion of funds that were allocated for countercyclical purposes. A national "trigger" for this type of program would be inappropriate. As the CETA title II program has been distorted from its original goals (i.e., successful transition of participants) by its use as a funding channel for sustaining enrollment of the title VI Emergency Jobs Program, so too would the employability development model be seriously damaged if it had to be used as a device for hiring large numbers of the unemployed as part of a national countereconomic policy.

Nevertheless, although employability development could not be a primary objective of titles II or VI, there is nothing to prevent its adoption as a secondary objective, even after one realizes that the geographical targeting and countercyclical emphasis of those two titles make them less than ideal vehicles for the employability objective.

## Public/Private Comparisons

The public service employment program, with an employability development emphasis, is in concept an exact duplicate of private sector subsidized on-the-job training. The difference between public service employment that is used for employability development and subsidized private sector on-the-job training is only in the method of providing the subsidy. In employability development programs, the objective is to train a less than fully qualified or minimally qualified worker to perform a specific job at the work site so that the trainee becomes proficient and self-supporting, and also so that the job itself provides a necessary public service. To accomplish this, the program subsidizes 100 percent of the employee's wages and benefits. In private sector subsidized on-the-job training, the major objective is the same—that the trainee becomes proficient and self-supporting, but instead of providing a public service, the

trainee is expected to contribute to the employer's productivity and profit. A direct subsidization of wages is generally not allowed in subsidized on-the-job training. The subsidy usually consists of a reimbursement to the private for-profit employer for actual costs in terms of supervision, production loss, materials and equipment damage, and training time.

## Comparisons and Linkages

The design for public service employability development programs differs in several respects from another traditional employment and training component—work experience. Simply stated, work experience is an activity designed to expose those who have never worked, or those who have been away from employment for long periods of time, to an employment situation, to promote good work habits, and to develop occupational awareness, as well as to serve other related purposes. Work experience is usually thought of as a pre-training activity, especially for youth. Employment development, on the other hand, is a program designed to train an individual at a public job site in order to develop proficiency for a particular occupation. Although the distinction may be clear in the abstract, in practice the differences often tend to blur.

Public service employment as an employability development design would therefore best be viewed by the CETA title I prime sponsors as an accompaniment or alternative to institutional and on-the-job training programs for the disadvantaged in the community. Such administration provides an automatic tie to the major manpower resources in the community. Employability development in the public service sector should not stand independently but should be integrally connected for both intake and referral to other training activities.

Many of the clients entering the program would be referrals from other training activities, including work experience and institutional training under CETA and like training conducted by the Work Incentive (WIN) program. It could be advantageous for employability development operations to establish formal linkages with WIN, with local vocational rehabilitation agencies, and with others in the manpower field to establish procedures for referral of their clients to public service employment. Such efforts might reduce considerably the amount of staff time and expense devoted to assessment, counseling, and, perhaps, remedial education. Enrollees of some of these programs may have little employment potential or be too burdened with family responsibilities and public assistance needs for public service employment to offer them much. Clients from other agencies (e.g., WIN) would be accepted for public service employment only after they had received counseling and after the agencies had developed employability plans designating the most appropriate candidates from among their clientele, without the prime sponsor's having to answer charges of not selecting the most needy.



## Eligibility Criteria

Obviously, the eligibility criteria for the employability development model must be different from the minimum standards of PEP and titles II and VI programs. Instead of a qualifying limit of a minimum number of days of continuous unemployment, the criteria should be:

1. Poverty due to --
  - a. An inability to find work on a regular basis.
  - b. Low-wage employment in the past.
2. A maximum number of weeks worked during the previous year.

Seasonal farm workers and migrants, for example, should not be excluded.

On the other hand, the person who is ordinarily employed steadily but is unemployed because of a business downturn should not be enrolled. Whether a college-educated person or one who has attended a trade school but has never been steadily employed should be included would depend on the reason for the unstable employment. Many young adults meet the Federal income criterion as being disadvantaged because of the circumstances of their living arrangements. They are not without usable occupational skills, but there is much more to employability than that. Values, attitudes, the willingness to accept the discipline of employment are equally important and grow from work experiences. The question for this model is whether participation will add to employability.

## Transition

An employability development job creation program should pursue an ambitious rate of transition. An expected slot retention and transition rate of between 40 and 50 percent would have to be maintained in order for the program to be a credible alternative to other less costly training models. If the need to retain the participant as a permanent employee or achieve transition to other regular employment is not stressed and made a central part of the design, this public sector "on-the-job training" will run the risk of becoming a revenue-sharing program that substitutes Federal funds for local general revenues.

This emphasis on a high retention and transition rate for public service employment participants should not generate the kind of debate that accompanied imposition of the transition goals of the current CETA title II program. Many local CETA prime sponsors viewed with alarm the pressure for a transition rate of 50 percent in early 1975, a time of intense pressure to hasten enrollments and spend available funds in order to demonstrate a capacity to implement the new legislation and respond to a rising national unemployment rate. The discussion about performance goals in 1975 may have resulted from the need to use title II for more than one major purpose. If, however, public service employment has a stable funding base, a clear mission to develop the employability of its clientele, and sufficient time to develop

public slots, transition goals as high as 40 to 50 percent are realistic and attainable.

## Supportive Service Needs

The quantity and caliber of supportive services and the training opportunities afforded participants in the employability development model will differ substantially from those offered in a countercyclical program. A countercyclical program, established to temporarily reemploy large numbers of the work force until the private sector market place regains stability, does not need such support. Long-term unemployed people whom the employability development model would enroll require the services of trained vocational counselors both during the assessment and enrollment process and (periodically) during the period of transitional employment. The fears, frustrations, and limitations that burden those with absent or spotty employment histories cannot be overcome simply by the fact of a job. Counseling and coaching that relate to developing proper work habits and resolving personal problems must be integral parts of the model. Program participants should have access to one person, a counselor, at all times in order that personal or work problems are quickly made known and acted upon.

In addition to a close relationship between client and counselor, a full range of supportive services must be available. This public service employment effort should include provisions for medical and day-care services, and a means, probably through linkages with other programs, to provide necessary clothing and tools or equipment required by the job. A prudent program administrator will seek help from other agencies, however, before leaping in to provide expensive items such as day care out of his or her own resources. Public assistance, the local vocational rehabilitation agency, and community groups can all provide resources to offset much of the supportive service costs.

## The Third Dimension: Employment Opportunities

The development of the job site itself is the most critical part of any public service employment program. The kind of employment, the pay, the duration, the qualifications and skill levels required, the relation of the job to an existing civil service system, the importance of the public service provided, the relation of the job to local collective bargaining agreements, and the probability for retention and advancement all dictate the direction of the program and determine its success or failure.

## Tailoring Job Opportunities

Jobs developed for subsidized employment of the chronically unemployed ideally should be structured to conform to the strengths of a particular client. A tailored subsidized employment situation would most likely lead to successful retention or transition of the client. It is, however, unrealistic to believe that jobs developed in the public sector are varied enough to meet the particular and unique needs of individual clients. One can talk about assessing the abilities and weaknesses of an individual and then developing a job situation in a public agency that best suits that individual's need; but as a practical matter, this kind of job development is difficult, if not impossible, to accomplish. Most often, a range of job sites is available, and clients must be "fitted" as appropriately as the diversity of available employment situations allows. No one can hope to satisfy the wide range of employment and training needs and aspirations of eligible participants with the limited array of occupations available. The range of occupational choices available in public work must be viewed as a limitation of this or any other public employment program.

## The Nature of Job Sites

Since occupational choice is limited, it is necessary to include as many different kinds of community service activities as possible. Job sites should be selected not only from local and State governments and public educational institutions but from private, nonprofit agencies as well. Nonprofit agencies are formed to provide a myriad of community services that should offer a wealth of additional occupational choices for public service employment clients. The inclusion of nonprofit organizations as job sites for public service employment would also be beneficial to the program, for their use would further dilute the number of slots available to any one public agency.

A public service employment program will be better able to extract firm commitments from employing agencies to retain participants if the number of slots allocated is far below the perceived needs of each agency. A carefully conceived process for allocating these positions might even try to ensure that each employing agency receives less than it claims to need and can use in a transition situation. The CETA prime sponsor or other administering agency may find dealing with a multiplicity of public and nonprofit agencies—each with its own method of payment and peculiar personnel systems—to be not only confusing but an unending source of problems. The benefits accrued by having more employing agencies participating in public service employment are nonetheless worth the additional administrative workload.

Federal regulations concerning acceptable public jobs funded under CETA title II disallow a wide variety of activities. No jobs in building construction or highway construction, or any other activity that is normally contracted to

a private, profitmaking organization, are allowed. Local or State law may restrict a local public agency even more in its ability to perform maintenance activities such as street repair or building repair. Federal regulations or State and local statutes also seriously restrict the range of activities that could be available for public service employment positions. Use of private, nonprofit agencies may in some cases be a way for local public service employment program administrators to provide jobs in career areas that are closed in public agencies.

The current title II program also restricts the use of part-time employment. Part-time employment can be used only when an individual is unable to work full time for health or other personal reasons. It is felt that a part-time job in ordinary circumstances will not pay enough to support the participant either while in the program or after retention by the agency. An employability development program should be more open to part-time occupations so that the participant can pursue remedial, academic, or skill training the other part of the day. One of the pre-CETA categorical grant programs, New Careers, was developed around the option of part work, part training. The New Careers concept was designed to place a client in a position just below a normal civil service entry position. Through a combination of part-time work and academic training, the client, in a one- to two-year period, met the entry-level requirements and was hired full time by the public employer. The flexibility to offer combinations of work and training coupled in a variety of ways should be part of the employability development model.

On the whole, jobs developed for this model must be at the entry level, but exceptions may occur. It is possible that a midrange position in a skilled or technical area could be suitable for a program slot. If job slots are developed above the entry level, care must be exercised to ensure that they do not infringe upon civil service regulations and collective bargaining agreements.

Jobs developed for this public service model would continue to be full-time entry-level positions that are central to normal public activities. While some jobs would be created for specific situations and some would be part time, the vast bulk of these slots must be in the mainstream of regular governmental activity in order that (1) retention can be a reality and (2) program participants are not unduly set apart from regular employees.

It is vitally important for all subsidized employment and training programs, and especially important for a public service employment program that employs the disadvantaged and seldom employed, that the work situation be as normal and as close to the usual work routine as possible. Except for special training provisions and counseling support from program staff, the public service program employee and his or her co-workers should be made to feel that there is little or no difference in what is expected and what is received between a program-paid position and a job that is supported with local funds. Public service program employees should be paid the prevailing rate for similar work, should receive the same benefits as regular employees, and should abide by collective bargaining agreements,

including the requirement to join a labor organization, if that is part of a local agreement in a State with union shop labor legislation. Earlier, subnormal wages were advocated for countercyclical public service employment to encourage transition as opportunities arise. For employability development, however, it is important that the experience of the incumbent be as normal as possible.

### Union and Civil Service Impacts

In many areas, local governmental employees are well organized, with considerable union influence in the hiring process and the working conditions. Organized labor has traditionally been a strong supporter of public service employment and other manpower programs. On the other hand, any union's primary obligation is to its members, and it will side with them if they feel threatened. Local unions that represent employees who are working in agencies where public employment slots are developed should be contacted in advance to explain the purpose of the program and to iron out any potential problems. Out of courtesy (and self-interest), local labor organizations should be consulted about and kept fully informed of program activities that directly or indirectly affect represented employees in their bargaining unit. The active support of local labor organizations is of obvious importance for the success of an employability development model.

State and local government civil service systems can present difficulties when program job slots are developed. Filling them with individuals who possess minimal skills for

the job and who are not the best qualified available can elicit strong objections from these agencies. Unless local merit systems are fully understood before the implementation of a public service employment program and special provisions for program activities are hammered out, serious problems and misunderstandings will occur, causing program delay and hard feelings between program operators and personnel departments.

State and local merit systems vary greatly both in internal flexibility and in adaptability. Early understanding of the local system is mandatory in order that a determination can be made as to whether the system is sufficiently flexible or must undergo structural change. A system that requires elaborate qualification testing (many using tests that cannot be validated) and a firm "rule of three" candidates for every position may, for example, be one that requires major change. From a distance, some civil service systems may seem easy to work with in the entry process; but they are useless in terms of their ability to help a participant in transition. Some systems have special employment registers for eligible clients and allow designated public service employment positions. Employment as a program participant is handled easily. The problem arises when the participant is to be picked up by the employing agency. Since the participant entered in a special employment register, he or she often finds that the permanent job must be filled from regular, open, competitive employment registers.

The point is simply that personnel systems vary greatly and may be used easily by a public service employment program or can require considerable tinkering and change. Each local program operation's problems and approaches must necessarily be unique.



## 5. STRUCTURAL TARGETING MODEL

A third model of public service employment may be derived by combining the elements of the employability development and the countercyclical models. Considered a hybrid in this respect, this model involves "structural targeting," based on the need to deal specifically with persistent unemployment problems in some geographic areas or among demographic groups who make up significant portions of the labor force. Whether the model takes on the characteristics of the employability development or the countercyclical model is dependent on which target group is selected for service.

### The First Dimension: Purpose

One purpose served by the structural targeting design is job creation in areas or subareas of local jurisdictions which suffer from chronic high unemployment even when "good" times are being experienced elsewhere. In this situation, the model will take on the countercyclical features and be structured so that it maximizes employment relationships with the economic development or other public works activities that may be directed to such hard-hit communities. Thus the functioning of this approach may be triggered on and off by the level of long-term employment.

A second purpose that can be met through structural targeting is job creation for significant population segments in the prime sponsor's jurisdiction who are "near unemployable" even in "good" times. When used to achieve this goal, the model takes on more of the characteristics of the employability development design in that it could include extensive vocational education and other skill development components as well as some quasi-public works activities. Programs administered under the Older Americans Act resemble this approach.

Structural targeting by locality was the primary purpose of CETA title II, with its triggering-on at 6.5 percent local unemployment for three months. Structural targeting by target group would occur under title II when the location of the target group coincided with the high unemployment

location. Otherwise, title I is the most likely vehicle, although it may be possible to address title VI slots to a particular target group if it meets the legislative priorities and eligibility requirements.

In past years, Operation Mainstream provided limited rural work opportunities, especially in areas where few other alternatives existed—a good example of structural targeting. The structural targeting design might also be viewed in some circumstances as a "holding pattern" for participants prior to their entry into other programs, or at least a means of temporarily supplanting some sort of income transfer payment. To meet these varied needs, the model must have the flexibility and composition of activities required to tailor it to the needs of hard-hit groups or communities.

There may be a fine distinction in structural targeting between designating the activity as public service employment or work experience. Both are authorized under CETA but may cause difficulties in acceptance, depending upon which title funds are being allocated. Certain other differences in regulations, such as the amounts authorized for administration and the wage structure adopted for the participants, may distinguish between public service employment and work experience activities, particularly under CETA. For these reasons, as well as certain philosophical ones, such differences are more than semantic.

The goals of work experience are much more limited than those for structural targeting, a difference emphasized in CETA regulations for fiscal 1976.<sup>1</sup> Work experience is characterized as a short-term or a part-time work assignment with a public employer or a private, nonprofit agency, and is designed to enhance the employability of individuals who have not been working in the competitive labor market for an extended period of time or who have never worked. These conditions will cover new or recent entrants into the labor market as well as those re-entering the work force. The objectives include increasing an individual's employability through experience on a job, developing limited occupational skills and good work habits, and aiding decisions regarding occupational goals. The nature is therefore transitory from school to work, from school to training, or

<sup>1</sup>See Federal Register, June 25, 1976, Comprehensive Manpower Programs and Grants to Areas of High Unemployment Miscellaneous Amendments, Sec. 95.39(d)(4).



from institution to the labor force (as may be the case for ex-offenders or ex-mental patients). The continuing emphasis is placed on periodic evaluations of participant progress to determine whether continued participation in work experience, transfer to another activity, placement, or some other action is most appropriate.

Structural targeting is first of all intended to create jobs with some intention of increasing the range or extent of public services. Work experience cannot be considered job creation; the clients may not always be productive and thus can impose a drain on supervisory time until desirable work behaviors are developed; the client then moves on to another activity. Work experience sites are more like training slots than employment.

The length of time planned for participants to be enrolled is also a point of delineation from work experience. Work experience placements tend to be short term or part time, while structural targeting in public service employment jobs would have no implied duration limit. It may be true that much of what we have called work experience in the past should have been more properly classified as structural targeting or perhaps "work relief" (a prior vocabulary). Operation Mainstream was considered work experience but did not meet the tests applied here. Transition was not provided for older workers because they had no place to go, nor was any useful new experience provided. It was not generally expected to develop client employability but only provided a permanent public service placement. Structural targeting must provide jobs until regular employment becomes available to the target groups or in the target area. If that does not happen, the situation may be a permanent one. The alternatives may be earned income through public service employment or an equally permanent dole.

## The Second Dimension: Target Group

As discussed earlier, the characteristics of the structural targeting model will be governed by the group or area selected for services. The model may be targeted toward areas of high unemployment, areas that have suffered severe structural dislocations, or areas that have experienced a significant loss of employment alternatives. This condition usually occurs in communities heavily dependent on one major industry, such as the Seattle area, with its aerospace industry, or the Detroit area and the automobile industry. If we assume recovery from such downturns, public service employment can be shaped according to the countercyclical design. Resources could be used to provide interim jobs, with the emphasis on transition to the public sector but to income-producing jobs with re-entry into the private sector upon economic improvement. The main difference between the countercyclical and the structural targeting approach is that the latter is applied to specific problems and localities and not necessarily in a uniform national fashion. It can exist as a separate policy instrument that could be phased in and out on an emergency basis.

An example of structural targeting coexisting with a countercyclical effort can be found in the allocation of funds to specific occupations. The WPA effort in the 1930's employed artists, writers, and musicians who found themselves in difficult employment straits as money for leisure time activities took lesser priority than money for food, shelter, and clothing. The point of such targeting was not to divert these individuals into other occupations or help them make a transition into public sector jobs. The aim was to provide temporary jobs until economic conditions improved so that they could support themselves privately. A side benefit was to provide entertainment and art in public buildings for the populace living in an era of general gloom and despair. In more recent times, the Federal government has undertaken a variety of special programs to employ engineers and technicians during the phasing out of the space program.

The second major variant of the structural targeting design is selection of a specific demographic group for targeting. Demographic groups appropriate for consideration are those who are unable to find employment in a generally prosperous economy and who would not qualify for assistance from some other employment and training program, or those who are thrown out of a job by structural rearrangements within the market. The first may remain permanently without satisfactory employment and adjustment may be long for the second. Retraining or relocation may be an answer for some but not all. (Relocation was used to some extent during the layoffs in Seattle's aerospace industry; but it was feasible largely because of the high level of skill possessed by the displaced workers. The potential benefits warranted the inherent personal and management risks involved in such a concept.) Some authors refer to this type of public service employment as "sheltered employment":

... I see PSE programs playing a role as sheltered employment programs for individuals who want to work, but who are unable to find work under normal labor market conditions. Primary target groups for such a program would include disabled or older workers, and workers in rural areas.<sup>4</sup>

Older workers are a logical group for inclusion in the development of a functioning structural targeting program. Both PEP and CETA experiences have shown that older workers often suffer in open competition with other significant population segments. It was found that in competition, public as well as private, employers preferred to hire the younger workers. Public service employment has been perceived as a means to recruit and enlist new people into public service careers. Employers did not consider older applicants to be an appropriate target group for this purpose. Indeed, due to the reduced length of the older worker's remaining worklife, a program operator is hard pressed to develop any long-range training objectives that might benefit the client. Other considerations, such as the lowering of the retirement age and pre-retirement incentives, work against the older worker's obtaining entry to public service employment. The most effective method of assuring work opportunities for older workers is to earmark resources

<sup>4</sup>Alan E. Fichter, "Public Service Employment: Boon or Boondoggle" Analytical Paper No. 3 (Washington: National Commission for Manpower Policy, March 1975).

exclusively for structurally targeted, permanent, sheltered employment. This is far removed in intent from providing a work experience activity, as was the ostensible objective of Operation Mainstream.

Another demographic group that might benefit from the structural targeting design is handicapped or disabled workers, who could gain from close attention to job restructuring, good employer attitudes, and removal of other artificial barriers to employment. The creation of jobs in rural depressed and central city areas in which few employment opportunities exist may also be an appropriate use of the model. Some judgment would need to be made about the possible future roles of such selected groups in the labor market, a consideration that might exclude certain groups under the definition of structural targeting.

Young people may be inappropriate under some conditions and appropriate under others as a target group for the structural targeting model. Youth programs should generally concentrate on the futures of these young people in the labor market, rather than their unemployed status. The investment of tax dollars in training, either in the classroom or on the job, or in work experience efforts should produce longer term economic payoffs. Youth is a temporary or transitory situation, in contrast to the older workers who will never be younger. The definition of the period of youth varies by individual and location. The key breaking point is when an individual's problems in obtaining employment become structural or developmental and are not due solely to age. This may be determined by analyzing individual social and work histories or by setting a statistical point at age 24, when the unemployment curve drops sharply. So long as there is a chance of dealing solely with the developmental weakness, structural targeting may not be the answer. Nevertheless, for many young people the greatest obstacle to employment may be their reluctance to settle down rather than their lack of skills and experience. For them, structurally targeted public service employment is an appropriate "aging vat." In other cases, the problem may be either lack of available jobs or age discrimination. In either case, rejection of youth by the labor market may reduce longer term commitments to work. Structurally targeted public employment may help to avoid such permanent handicapping.

## The Third Dimension: Employment Opportunities

Once the objectives of a public service employment effort have been determined, including the objective of structural targeting, operational considerations can be addressed. Areas requiring discussion include the process for allocating positions or other program resources, staffing structure, coordination with other employment and training programs, provisions for training and supportive services, wage structure and requirements, and the mechanics of delivery,

including the respective roles of local, State, and Federal governments.

## Decision-Making Responsibility

Responsibility for selection and placement in a structural targeting model should rest with the highest governmental jurisdiction nearest to the problem, because success of the model may lie in such an agency's flexibility. When pockets of chronic high unemployment are in need of attention, it is important that the unemployed are enrolled without awaiting higher level approvals. Further, as should be the case in any employment and training program design, all programs in any one area should be planned and implemented in concert with all others in an organized but localized manpower policy. The obvious existing delivery system is the CETA structure.

Any major role by a State over a local government or by the Federal government over lesser jurisdictions will inevitably subordinate smaller efforts to the dominant government entity. In this respect, any area's public service employment effort should contain all three alternative models, enabling the prime sponsors to operate each as the situation demands (depending upon available funding). The National Commission for Manpower Policy has likewise recommended that CETA prime sponsors plan for such a three-tiered effort made up of the three models. Whether built into new legislation or merely suggested as a possible strategy, structural targeting as an alternative program approach may give prime sponsors a different perspective on their own labor markets.

## Allocating Resources

The major consideration for a prime sponsor or local jurisdiction in implementing structural targeting is the allocation of resources and positions. Since transition within the public sector is not emphasized in this model, a flexibility in creating jobs is introduced. The appropriate emphasis is determined by the target selected.

Areas that have suffered structural dislocations generally count among the unemployed a large number of skilled, or at least semiskilled, workers who in better times were steadily employed. Under these conditions, the resources allocated should be structured so that they maximize employment relationships with economic development or other public works activities that may be directed toward such hard-hit communities. Federal agencies should also be approached as potential employers. Especially in conservation or environmental activities, the National parks and forest systems provide opportunities for labor-intensive efforts. (Federal worksites are concurrently available to State and local prime sponsors as outstations.)

Quasi-public works activities, such as the renovation and winterizing of low-income housing, have been advocated for the title VI Emergency Jobs Program. This approach would

place the emphasis on the public service provided and away from allocating sums for training and other supportive services. These activities are ideal for a structural targeting model because they lend themselves well to meeting the needs of particular localities and target groups. To achieve this potential, governments must plan public works, economic development, and public service employment in concert. If prime sponsors have the three-tiered model available, the common problems of each model can be solved in concert.

In the case where specific demographic groups are targeted for public service employment efforts, the selection of job sites and the resultant allocation of resources may be approached in a different manner. Sheltered employment must necessarily stress the services to the client group rather than the public services provided. It is in this light that the employability development characteristics of the model surface and overlap with the employability development model. Possible strategies center on the distinctive features of the target group and their own special abilities to contribute to social efforts. Some thought could be given to part-time placements as opposed to full-time placements, generally advisable only for those individuals who, because of age, handicap, or other personal factors, are unable to work full time. This may also increase the salability of the structural targeting concept by increasing the numbers to be served with limited local resources.

## Wage Considerations

The consideration to be dealt with next, the wage structure, can actually govern the type of program a structural targeting effort may turn out to be. The influence of organized labor and existing classifications of work may dictate wage levels. Since this model is generally meant to be a temporary solution, some relief may be found in declaring such work emergency in nature and utilizing common work classifications for all those employed. This would allow the use of the lower wage levels prevailing in some unskilled laborer classifications and would assure return of participants to regular jobs when the economic situation improved. This strategy must be coordinated with the appropriate unions.

At least one other factor will have to be considered before the wage levels can be determined. The persons involved are likely to be regularly employed wage earners, with a large proportion being heads of households. These workers must earn enough to maintain some reasonable living level for their households. The final outcome will therefore depend upon the amount of resources available and the extent to which such funds can be "stretched" to employ as many as possible, to maintain households at reasonable living standards, to act as a disincentive to continuing public employment of those seeking permanent work, and to have the greatest possible overall impact on the economic development of the area.

If the structural targeting variation adopted takes on the characteristics of a sheltered employment program, different

factors need to be considered in the determination of wage levels. In most cases, Federal regulations require that at least the minimum wage be paid, and in some circumstances the prevailing wage rate for the work being performed must be paid. Many participants may be receiving supplemental security income that limits the length of time they can work and still remain on that program. Careful study of other State and local regulations is warranted. As is evident, this use of structural targeting is aimed as much at the social needs of the participants as at the effect their working has on the economy.

Traditionally, programs that employ older workers and disabled workers have paid the minimum wage or less under the guise of providing work experience, with little emphasis being placed on the work being performed. There should be a serious reconsideration of this approach, for it is a misuse of the work experience training mode and results in the negative labeling of those being employed. Sheltered employment should not be confused with the concept of a sheltered workshop, but it should reflect only the intent of the program to employ those who have great difficulty in obtaining jobs in an open, competitive labor market. To preserve some dignity while providing a needed income supplement, programs should pay prevailing wage rates; the balancing of the public service employment wage with other income can be achieved through other means such as job structuring and tandem employment.

## Staff Requirements

Counseling will fill an important need in any public service employment structural targeting effort. The intensity or level of services will be determined by the emphasis on developing the employability of individual clients. When the effort is used to supplement economic development activities, the demand for counseling will fall mostly into the area of advising, informing, and referring. Instruction in job search techniques, information on job openings and the hiring trends of private industry, and some simple motivation techniques for job hunting will fill most needs. The emphasis is not on transition at the worksite but to other areas of the economy as it improves. Participants employed in this type of effort will benefit from directing their attention outward. Consideration might well be given to providing paid time off from the subsidized job as an incentive to look for work. Staff efforts as a whole should be directed to short-range plans. Training is thereby deemphasized because most participants will have job skills. The goal is not to restructure the participant population, an objective that is more appropriate for the employability development model.

The use of structural targeting to serve hard-to-employ groups requires a different approach to training and supportive services. A program modeled on structural targeting may view the desired outcomes as transition or perhaps merely as more or less permanent public jobs. For instance, the types of services required by older workers will differ from those required to develop the employability of the



disabled. With the more brief worklife of older workers, the emphasis of counseling services is more properly placed on money management, retirement, or leisure time management, i.e., those not connected with work but aimed at the individual's transition from the labor market. The main theme can be the continuing involvement in community life upon retirement and the prevention of some individuals' withdrawing into the devastating isolation so often found in both the disabled and the older jobseekers. It will be necessary to draw them out, give them purpose through work, including sufficient direction to continue to lead useful lives beyond the ends of their working years.

As implied before, staffing requirements are determined largely by the objectives of the model. The countercyclical emphasis will require a lower staff-to-participant ratio than a program aimed at a special target group. Less emphasis on counselors may be replaced by a greater need for monitoring the projects funded for economic development purposes. Possible conflicts with organized labor and the types of work being performed are realities that need close attention in any mass employment effort. Working conditions as well as health and safety standards must be of concern to program administrators. It may be that these administrative procedures will deserve the most staff time.

### Older Worker Emphasis: An Example

Phoenix, Ariz., which has a large number of persons over 45 years of age among its population, used a methodical and organized approach to reach this population segment. The result was an enrollment level of more than 20 percent for older workers under EEA's PEP, achieved by targeting recruitment and job structuring efforts. To develop jobs that would both interest and challenge older workers, as well as meet public service needs, was the greatest task. A broad range of jobs was created in order to respond to varying skills and work experience. Outdoor positions included groundskeeper and general laborer. In the clerical field, clerk-typist and account clerk were earmarked as usable positions. In the area of human services, emphasis was placed on community worker slots with various public agencies and teacher aide positions in the public school system. The previous work experiences of the older applicants were taken into account, and such technical positions as computer programmer and audiovisual technician, as well as maintenance activities, were developed.

Even with such efforts in job structuring, the reluctance of older workers to apply led to slow hiring. Only after the first few older workers were actually hired did the effort begin to pay off. As discussed in the earlier section on target groups, older persons, like most other groups relegated to low or last priority in hiring, were unwilling to apply for jobs unless there was some indication that they had a real chance for employment. The feedback to the community from the first few hirings convinced others that such a chance did exist. Thus the Phoenix effort, while not strictly a structurally targeted program, contained the elements

necessary for successful structural targeting of a public service employment program.

The role that supportive services and job-related training can play will depend upon whether the particular emphasis of the structural targeting model is a countercyclical or employability development orientation. The demand for training and support in countercyclically oriented programs is likely to be much less than in a program targeted to older workers. The need to provide counseling, orientation, and other supportive services will also largely determine the staffing requirements of the project. The more ambitious the objectives, the more staff time is required.

### The Special Needs of Older Workers

In May 1973, title IX of the Older Americans Act was enacted as part of the Older Americans Comprehensive Services Amendments. It was specifically designed to expand the Operation Mainstream program and to spread that concept across the Nation. The programs have been implemented under two National contracts operated by Green Thumb and the U.S. Forest Service for rural areas, with an additional three contractors operating in urban areas. However, all five contractors must operate within certain basic design elements that may serve as prime examples in developing a structurally targeted public service employment program for older workers.

The primary features of the design are aimed at providing a twofold benefit: (1) Benefit to the individuals who enroll in such a project, including increased income, improved job skills, possible placement or reentry into the competitive labor force, and the information and supportive services needed by senior citizens and (2) benefit to the communities where projects are located, specifically aimed at enhancing or establishing human services. This second element is what basically forms the distinction between a structural targeting model in public service employment and what in the past has been termed "work experience."

The common eligibility criteria used for the Senior Community Service Employment Program are age, physical and mental capacity for work, and economic status. An individual must be at least 55 years of age, with no upper age limitation. An applicant must be physically and mentally capable of performing part-time employment duties. Generally, enrollment is limited to those who are economically disadvantaged or at least "near poor." The Department of Labor has supplied three priorities for service in addition to the above criteria. Those who are applying for reenrollment or who are disabled veterans receive first priority; second priority goes to the most severely economically disadvantaged, and third priority is for applicants 60 years of age or older.

Program services that are required include a preenrollment physical and annual checkups. Assessment and orientation are predictably required, but sponsors have more latitude in the extent of training offered prior to the assignment to subsidized community service. Extensive instruction is offered in jobseeking skills, along with

Information on such areas of concern as social security, health, nutrition, tax requirements, and retirement law. Needed transportation assistance is available, and local social service agencies are utilized for specific problems.

The employment guidelines limit work to a maximum of 30 hours per week, or 1,300 hours per year, per enrollee. The kinds of jobs being provided include work in conservation, maintenance, or restoration of natural resources in rural areas and occupations that provide services to the needy.

Thus this program provides one more example of structural targeting in ways that can be adapted by CETA prime sponsors

### **Structural Targeting in a Local Employment and Training Policy**

The concept of a public service employment structural targeting model and its application to the overall employment and training policy of a city, county, consortium, or State government has not been adequately discussed or explored. On its countercyclical side, one can envision several applications and purposes that sponsors may wish to adapt. In general terms, it can serve as a

temporary employment scheme that will maintain attachments to the job market for pockets of unemployed people. It can also serve to keep a uniquely skilled labor force intact during economic bad times. The economic cost of training new workers in times of recovery may only slow such recovery in specific industries. One might use the example of the auto industry in Detroit as a case for such selective countercyclical policy. It is clear that such a policy will be expensive, perhaps too expensive for local governments to employ. Federal funds with selective, localized triggering mechanisms may well be coordinated through the same local governments.

The application of structural targeting to specific groups is more obvious. Such has rarely been the focus of a public service employment effort. Eligibility or the quality of employment has often been reduced in order to increase the public salability. This may also be the reason such programs tend to fail, or at least fall short in increasing the client's employability. It may be that providing permanent public service jobs is the only viable policy in dealing with the particular needs of some target groups, such as older workers. Pre-retirement employment in lieu of transfer payments such as supplemental security income is worthy of study. It is increasingly clear that, in a society so bound to a work ethic, employment and training policy is incomplete without such a selective delivery model.

## 6. UNRESOLVED ISSUES

The three-level public service employment program design suggested in this monograph attempts to resolve, among other things, the major structural problem of most recent programs—the problem of using a particular design to meet numerous and often conflicting policy objectives. The three-model approach—countercyclical, employability development, and structural targeting—allows each component to address a specific need, organize for a specific objective, and then employ a specific target population in job situations that reasonably follow from the design.

These considerations are critical for the local or balance-of-State prime sponsor that wants to make optimum use of available public service employment resources. There are other problems and issues relating to both such program purposes and operations that this monograph either neglects or does not address sufficiently, primarily because they involve national issues beyond the reach and decision of prime sponsors. Nevertheless, some comments are appropriate concerning local considerations relative to the issues of substitution, appropriation levels, and the role of public service employment in a full employment policy.

It is simple to assert that Federal public service funds may be used only for jobs that would not be otherwise filled. It is simple to assert that the result of Federal public service expenditures must be an increase in employment levels in a local jurisdiction. It is also simple to assert that public service jobs must not displace currently employed workers. It is even relatively simple to effectively monitor program sponsors during the first year or two of a program to ensure that these stipulations are met. One can even argue that in the short run, the amount of substitution can be assessed by a quick glance at the numbers of program enrollees who are rehired (previously laid off employees of the sponsor). If a rehire rate of 5 percent or less is reported, one could argue that the substitution question is not even worth debate.

It is also argued that substitution cannot be defined, detected, or measured. Once a basic public service employment program is installed and funded through an annual appropriation, maintenance of effort becomes a complex problem. How can one be certain that the expectation of an annual public service grant does not taint judgments of city, county, or State budget officers—or

city council members, county commissioners, or appropriation committee legislators? The certain knowledge of a regular public service employment allocation cannot help but enter into the budget process at any government level. From this perspective, there is no way to be certain of the impact of substitution, since one must enter into the very first level of budget considerations. It is difficult to assess whether a proposed budget reduction in one department or division of a government unit was made for reasons of budget limitations or with the certain knowledge that the difference would be made up from public service employment "revenues," with the resulting excess used for bond redemption, tax relief, or some other non-employment-sustaining use.

Nationally, the substitution issue is a critical one. At the local level, it is transferred into the issue of maintenance of effort. Of greatest concern to local policymakers should be the potential political impact upon the supply of funds available in the future. The perception that local or State governments are using Federal revenues in lieu of locally generated income has damaging political impacts, no matter whether such substitution amounts to 1 percent or 10 percent. The local practitioner has at least that motivation for maintenance of effort.

The scope of this monograph did not include a discussion of appropriation levels needed to make each of the designs programmatically effective; nor does it present a complete discussion of the many alternatives available for allocating resources. The only real mention of appropriation levels was the comment in the discussion of the employability development model that care must be exercised to keep the supply of available employability development positions below perceived demand in any one area. An annual appropriation limit of \$400 million to \$500 million for such a public service employment effort would ensure that the training and transition requirements of the model could be kept intact. Larger sums would probably be detrimental to the employability development concept, tending to focus the program as a countercyclical instrument and not as a manpower training vehicle.

Use of public service employment as a countercyclical device may also have an expenditure limit. What that limit would be is difficult to determine. While the total funding

must be aggregated nationally, the limits are in the absorption capability at the local level. Upper limits exist concerning the absolute number of public service enrollees that city, county, or State governments and nonprofit community agencies can provide with useful employment and adequate supervision. Too large and too frequent "doses" of countercyclical public service employment job funds may also compound the difficulties inherent in the substitution of Federal job funds for local revenues.

From the State and local level, public job creation of various kinds has an overriding attractiveness: it can be targeted to communities that might be bypassed by broader fiscal and monetary policies. Nevertheless, unless Federal funding is to become permanent, local jurisdictions may be saddled with a burden of public employment that they can neither support nor unload. A labor market distorted by a heavy weight of public employment may be unattractive to private employers. The Federal funds may act as an opiate, preventing necessary structural adjustments. And ultimately, the experience has been that sooner or later the price of Federal funding must be Federal regulation. Thus the local policymaker, prime sponsor, or practitioner, while welcoming public service employment as an essential component of a full employment policy, has ample reason to press for a balanced package of direct job creation and broader

economic stimulation.

Public service employment, it seems, has become a permanent component of the kit of employment and training tools. The local practitioner can merely respond to that availability by spending the funds in any way that meets the requirements of the Federal funding source. The alert practitioner can also examine the needs of the jurisdiction he or she serves and use the Federally funded employment resources, within legal bounds, to meet those needs in innovative ways. In search of such innovations, local policymakers or program operators will find it useful to identify appropriate objectives—whether countering the down side of a business cycle, developing the employability of disadvantaged workers, or targeting upon the structural impediments of the local economy or special target group. Each will require a different approach, but all are possible and appropriate among existing laws and regulations. Each could be aided by changes in legal structure and guidelines, but all are possible and of proven effectiveness. The essence of planning is clear objectives followed by consistent technique. Public service employment, along with related public job creation, is a growth industry and one that may be around a long time. Those who are practitioners of its acts can improve its usefulness by considering these alternative objectives and the program structures implied by each.



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## WHERE TO GET MORE INFORMATION

For more information, contact the Employment and Training Administration, U.S. Department of Labor, Washington, D.C. 20213, or any of the Regional Administrators for Employment and Training whose addresses are listed below.

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